





April 7, 2025

**MEMORANDUM**

TO: Ingrid S. Watson, Chair  
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Joseph R. Hamlin   
Director of Budget and Policy Analysis Division

FROM: David Williams   
Legislative Budget and Policy Analyst

RE: Board of License Commissioners  
Fiscal Year 2026 Budget Review

**Budget Overview**

The FY 2026 Proposed Budget for the Board of License Commissioners is \$2,191,700 which is an increase of \$139,300, or 6.8%, over the FY 2025 Approved Budget. The budget sees small increases in operating costs, technology costs, and salary adjustments. The Board of License Commissioners' expenditures are funded entirely by the General Fund. The Board continues to effectively carry out its licensing procedures while performing investigations and instituting fines for instances of violations. Enforcement of fines for the particular violation of sale to a minor continues to remain a priority.

**Expenditures by Category**

Fiscal Year 2024 Actual to Fiscal Year 2026 Proposed

Category	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimated	% Change - Est vs App	FY 2026 Proposed	\$ Change	% Change
Compensation	\$ 1,383,454	\$ 1,349,300	\$ 1,341,900	-0.5%	\$ 1,375,300	\$ 26,000	1.9%
Fringe Benefits	414,854	415,000	455,200	9.7%	457,900	42,900	10.3%
Operating Expenses	270,792	288,100	248,300	-13.8%	358,500	70,400	24.4%
<b>Total</b>	<b>\$ 2,069,100</b>	<b>\$ 2,052,400</b>	<b>\$ 2,045,400</b>	<b>-0.3%</b>	<b>\$ 2,191,700</b>	<b>\$ 139,300</b>	<b>6.8%</b>

### Staffing Changes and Compensation

Authorized Staffing Count

	FY 2025 Approved	FY 2026 Proposed	Change Amount	Percentage Change
Full-Time	9	9	0	0.0%
Part-Time	19	19	0	0.0%
<b>Total</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>0.0%</b>

- The FY 2026 staffing level remains unchanged from last year. The Board has nine (9) full-time positions, all of which are currently filled. The Board is also authorized for 19 part-time positions, 11 of which are currently filled while searches for two (2) additional part-time staff employees are ongoing. Six (6) of the part-time positions remain unfunded for FY 2025.
- Three (3) of the Liquor Inspectors (part-time employees) have left the agency in FY 2024 because of retirement or full-time job opportunities elsewhere.
- FY 2026 compensation is proposed at approximately \$1.375 million: \$26,000, or 1.9% above the FY 2025 level. This small increase is due to the annualization of prior year salary adjustments.

### Fringe Benefits

Fringe Benefits Historical Trend					
	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Approved	FY 2026 Proposed
Fringe Benefit Expenditures	\$ 369,710	\$ 401,571	\$ 414,854	\$ 415,000	\$ 457,900
Compensation	\$ 1,142,670	\$ 1,295,165	\$ 1,383,454	\$ 1,349,300	\$ 1,375,300
As a % of Compensation	32.4%	31.0%	30.0%	30.8%	33.3%

- Fringe benefit expenditures are proposed to increase by \$42,900, or 10.3%, over the FY 2025 Approved Budget due to a reduction in the fringe benefit rate.

### Overtime

Year	Approved Overtime Budget	Overtime Expenditures		Actual vs. Approved Variance (\$)	Actual vs. Approved Variance (%)
FY 2023	\$6,000	Actual:	\$5,396	-\$604	-10.07%
FY 2024	\$6,000	Actual:	\$4,837	-\$1,163	-19.38%
FY 2025	\$6,000	Actual YTD:	\$1,165	-\$4,835	-80.58%
		Projected:	\$4,000	-\$2,000	33.33%
FY 2026	\$4,000	Budgeted:	\$4,000		
YTD as of: March 25, 2024					

- Overtime expenditures for FY 2026 are budgeted at \$4,000..

### **Revenues**

- The following table outlines the revenue that the Board has collected by category:

Revenue Category	FY 2024 Actual	FY 2025 Estimated	FY 2026 Proposed	\$ Change	% Change
Class A License and Permit Fees	\$ 476,200	\$ 476,200	\$ 476,200	\$ -	0.0%
Class B License and Permit Fees	\$ 1,480,734	\$ 1,480,734	\$ 1,496,000	\$ 15,266	1.0%
Class C License and Permit Fees	\$ 83,898	\$ 83,898	\$ 83,800	\$ (98)	-0.1%
Class D License and Permit Fees	\$ 46,955	\$ 47,000	\$ 47,000	\$ -	0.0%
Administrative Fees	\$ 125,115	\$ 130,000	\$ 140,000	\$ 10,000	7.7%
Fines	\$ 180,875	\$ 140,000	\$ 157,000	\$ 17,000	12.1%
<b>TOTAL</b>	<b>\$ 2,393,777</b>	<b>\$ 2,357,832</b>	<b>\$ 2,400,000</b>	<b>\$ 42,168</b>	<b>1.8%</b>

- A breakdown of revenue collected from fines can be found in the *response to Question 10 of the Board of License Commissioners first-round responses*. A breakdown of the costs and revenues associated with each specific license type can be found in the *response to Question 11 of the first-round responses*.

### **Operating Expenses**

- The FY 2026 operating expenses are proposed at \$358,500, an increase of \$70,400, or 24.4%, over the FY 2025 approved level. The table below provides a breakdown of expenses:

Operating Objects	FY 2025 Approved	FY 2026 Proposed	FY 2025 - FY 2026	
			\$ Change	% Change
Office Automation	\$144,200	\$163,500	\$19,300	13.4%
Other Office Automation	\$0	\$87,700	\$87,700	100.0%
General & Administrative Contracts	45,000	45,000	-	0.0%
Advertising	12,000	12,000	-	0.0%
Training	2,000	1,500	(500)	-25.0%
Mileage Reimbursement	24,500	10,500	(14,000)	-57.1%
Equipment Lease	2,100	2,100	-	0.0%
General Office Supplies	9,000	7,000	(2,000)	-22.2%
Miscellaneous (investigative support)	7,300	4,400	(2,900)	-39.7%
Printing	1,500	1,500	-	0.0%
Interpreter	20,000	5,000	(15,000)	-75.0%
Telephone	20,500	18,300	(2,200)	-10.7%

- Some of the major lines items in the operating budget includes:
  - Office Automation- \$163,500
  - Other Office Automation- \$87,700
  - General & Administrative Contracts- \$45,000
  - Mileage Reimbursement- \$10,500
  - Telephone- \$18,300
  - Interpreter- \$5,000
- Operating expenses only exceed FY 2025 amounts in two (2) line items, with the biggest increases coming from the “Other Office Automation” category, with new expenses of \$87,700. This expense is for a licensing software subscription.

### **Information Technology**

- The Board is in the process of procuring and setting up a licensing software that will increase the productivity of issuing licenses and conducting inspections while making hearings more efficient. The total cost of the project is \$550,000 and is budgeted in the Office of Information Technology’s Capital Improvement Projects budget. The Board expects to roll out the software suite sometime in the next fiscal year.

### **Workload and Program Key Points**

- The Board of License Commissioners has several classes of licenses that they issue with several types of licenses within each class. The description of the types of licenses the Board issues and hours of sale can be found in *Attachment 1 of the First Round Responses*.
- The chart below lists the number of licensees in FY 2024 compared to FY 2025. A map of the locations can be found on the last page of this report.

Council Districts	Number of Licenses FY 24	Number of Licenses FY 25 YTD
1	104	110
2	72	71
3	73	77
4	77	77
5	77	77
6	41	41
7	49	49
8	80	79
9	69	65

- The Board continues to hold its hearing virtually and will continue to do so in FY 2026; they note that hybrid options can be offered if necessary.
- The Board continues to run its underage compliance checks to make sure licensed establishments are not serving minors. The hiring of two (2) 1,000-hours employees to support these operations has allowed these investigations to stay consistent with previous years. In FY 2024, sale to a minor made up 27 out of 74 alcoholic beverage violations that were adjudicated. As of March 2025, sale to a minor made up 17 out of 39 violations adjudicated.
- The average length of time between initial notice of a violation to adjudication is 65 days. This number has remained constant in the last three (3) years, but the Board aims to reduce the supervisory violation approval time going forward.
- The Board's workload management system measures the number of inspections completed in comparison to the number of inspections assigned. In FY 2024, the Board was able to complete 91.2% of their inspections. This number has increased so far in FY 2025, and the Board had completed 91.6% of assigned inspections as of March 2025.

